



Performance-Based Logistics

17 June 2003

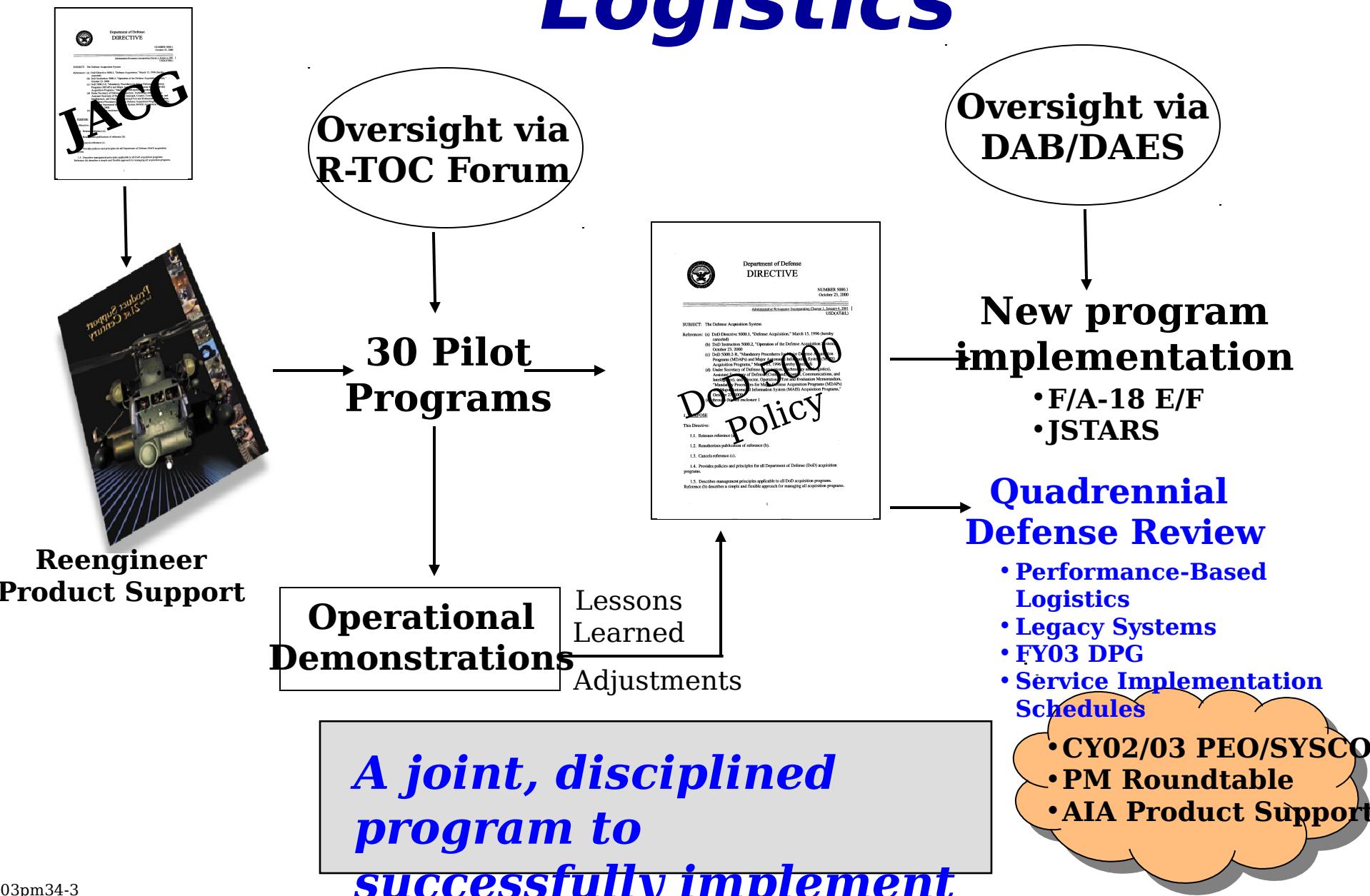


QDR Direction

- Project and sustain the force with minimal footprint
- Implement performance-based logistics to improve readiness for major weapon systems and availability of commodities
- Reduce cycle times to industry standards



Performance-Based Logistics





Performance-Based Logistics

Real-Time
System Status

Industry/Government



Partnerships

Buys
Performance
As a Package
(Including Surge/Flexibility)

Weapon System
Manager



Force Provider

Ensure system is
sustained at optimum
level per PBA

Acquisition

PBA



PBA

Provide continuous
reliable, affordable
support per PBA

Sustainment

Disposal

Visibility into cost/risk decisions across life cycle



PBL Programs in OIF



Delivering Capability



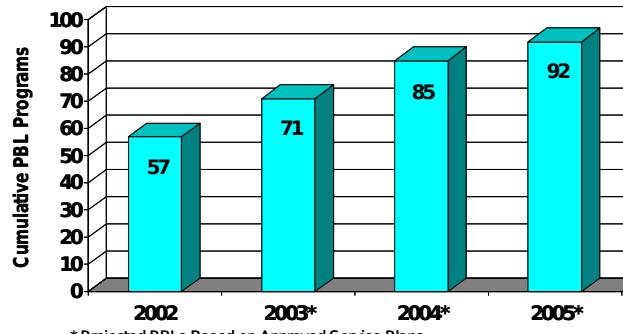
Weapon System Sustainment Roadmap

- PM accountable for life cycle
- JROC established sustainment requirements
- Enabling Depot legislation
- Revised Maintenance Policy
- Industry Supply Chains

Today

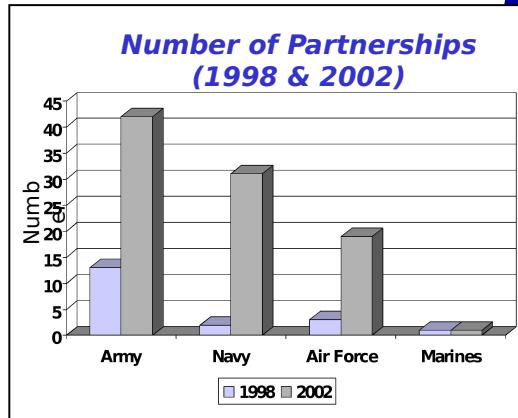
- Suppressed Readiness
- Marginal reliability
- Fractionated Accountability
- \$67B/year
- Huge footprint

PBL Implementations



2000

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- Joint Strike Fighter
- Future Combat System
- Advanced Amphibious Assault

2005 synchronized with PBBS

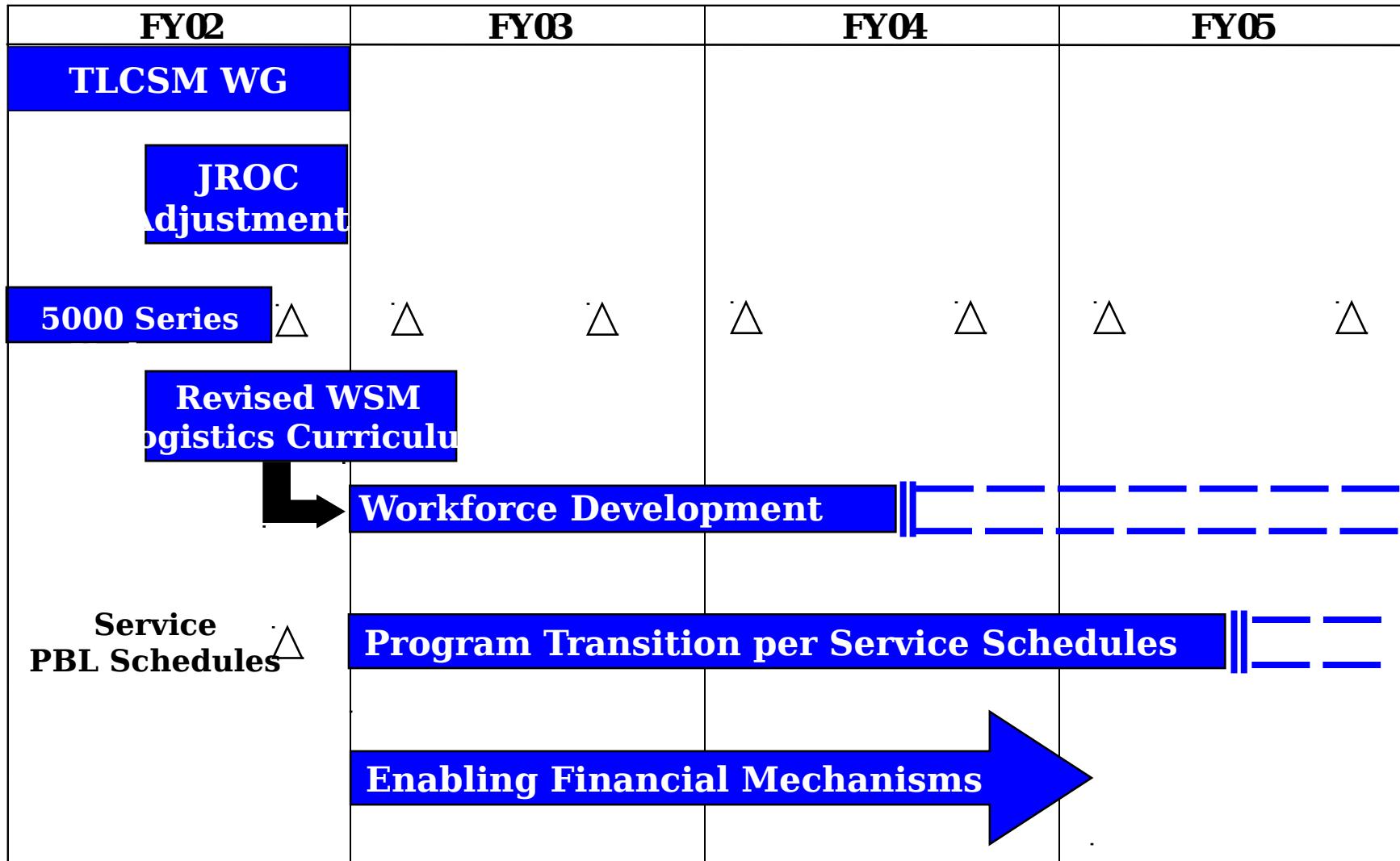
- Warfighter-driven readiness
- Ultra-reliability
- Clear PM accountability
- Minimal Footprint

- Financial Reform (PR05)
- Single-line Accounting
- Life Cycle Cost Management
- Operational requirements

2015



Road Ahead



On Schedule



Emerging Issues

- Industry wrap-rates on performance contracts
- Product Support enabling financial processes
- Integration of PBL strategies and DLA consumable management
- Evolution of PM toolkit to support PBL